



Journal of the House

State of Indiana

114th General Assembly

First Regular Session

Twenty-ninth Meeting Day

Monday Afternoon

March 14, 2005

The House convened at 1:30 p.m. with the Speaker in the Chair.

The invocation was offered by Pastor Ron Williams, Pathway Community Church, Fort Wayne, the guest of Representative Randy L. Borrer.

The Pledge of Allegiance to the Flag was led by Representative Borrer.

The Speaker ordered the roll of the House to be called:

T. Adams	Klinker
Aguilera	Koch
Alderman	Kromkowski
Austin	Kuzman
Avery	L. Lawson
Ayres	Lehe
Bardon	Leonard
Bauer ☐	J. Lutz
Becker	Mahern
Behning	Mays
Bischoff	McClain
Borders	Messer
Borrer	Micon
Bottorff	Moses
Bright ☐	Murphy
C. Brown	Neese
T. Brown	Noe
Buck	Orentlicher
Budak	Oxley
Buell	Pelath
Burton	Pflum
Cheney	Pierce
Cherry	Pond
Cochran	Porter
Crawford	Reske
Crooks	Richardson
Davis	Ripley
Day	Robertson
Denbo	Ruppel
Dickinson	Saunders
Dobis	J. Smith
Dodge	V. Smith ☐
Duncan	Stevenson
Dvorak	Stilwell
Espich	Stutzman
Foley	Summers
Friend	Thomas
Frizzell	Thompson
Fry	Tincher
GiaQuinta	Torr ☐
Goodin	Turner
Grubb	Ulmer
Gutwein	VanHaaften
E. Harris	Walorski
T. Harris	Welch
Heim	Whetstone
Hinkle	Wolkins
Hoffman	Woodruff
Hoy	Yount
Kersey	Mr. Speaker

Roll Call 240: 96 present; 4 excused. The Speaker announced a quorum in attendance. [NOTE: ☐ indicates those who were excused.]

HOUSE MOTION

Mr. Speaker: I move that when we do adjourn, we adjourn until Tuesday, March 15, 2005 at 1:30 p.m.

RUPPEL

Motion prevailed.

REPORTS FROM COMMITTEES

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 1, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-28-26 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 26. Global Commerce Centers

Sec. 1. As used in this chapter, "corporation" means the Indiana economic development corporation established by IC 5-28-3-1.

Sec. 2. As used in this chapter, "district" means a regional economic development district designated by the United States Department of Commerce Economic Development Administration.

Sec. 3. As used in this chapter, "high technology activity" has the meaning set forth in IC 36-7-32-7.

Sec. 4. As used in this chapter, "hub" means a regional economic development project that is:

- (1) selected by a district for development as a global commerce center; and
- (2) designated as a global commerce center under this chapter.

Sec. 5. As used in this chapter, "spoke" means an economic development project that is:

- (1) located within the area served by a district;
- (2) undertaken to support the activities of a hub; and
- (3) treated as a global commerce center under this chapter upon the approval of the district board and fiscal body of the county in which the project is located.

Sec. 6. The corporation shall do the following:

- (1) Review and approve or reject all applicants for global commerce center designation according to the criteria for designation set forth in section 7 of this chapter.
- (2) Establish a procedure by which global commerce centers may be monitored and evaluated on an annual basis.
- (3) Promote the global commerce center program.

Sec. 7. (a) The corporation may designate up to three (3) global commerce centers under this chapter. A global commerce center must include a hub. The boundaries of the global commerce center are not required to be contiguous.

(b) If a district applies to the corporation to have part of the area served by the district designated as a global commerce center, the corporation shall approve the district's application if the corporation determines that the proposed global commerce center meets the following criteria:

- (1) The district applying for a global commerce center designation does not contain a metropolitan statistical area.
- (2) The proposed global commerce center is well suited for the development of a hub and its supporting spokes.

(3) The proposed global commerce center has the support of the surrounding community.

(4) The proposed global commerce center is well suited for the development of at least one (1) of the following:

(A) A high technology activity.

(B) Advanced manufacturing.

(C) Transportation, distribution, and logistics.

(c) The corporation shall adopt rules under IC 4-22-2 specifying application procedures.

(d) The corporation shall give priority to an application submitted by a district that:

(1) serves a region that borders another state;

(2) contains at least one (1) county that consistently ranks among the highest in Indiana in unemployment;

(3) is served by an interstate highway; and

(4) has identified a site for a proposed global commerce center that is well suited for the development of an intermodal transportation hub.

Sec. 8. If a global commerce center is designated under section 7 of this chapter, an unlimited number of spokes may be added to the global commerce center at the discretion of the fiscal bodies of the counties served by the district and the district board.

Sec. 9. A global commerce center expires fifteen (15) years after it is designated by the corporation."

Page 2, line 7, delete "2011," and insert "2018,".

Page 3, line 21, delete "2011," and insert "2018,".

Page 4, line 2, delete "2011," and insert "2018,".

Page 4, line 24, delete "2011," and insert "2018,".

Page 7, line 41, delete "2011," and insert "2018,".

Page 8, between lines 35 and 36, begin a new paragraph and insert: "SECTION 3. IC 6-1.1-12.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:

Sec. 5. (a) A property owner who desires to obtain the deduction provided by section 3 of this chapter must file a certified deduction application, on forms prescribed by the department of local government finance, with the auditor of the county in which the property is located. Except as otherwise provided in subsection (b) or (e), the deduction application must be filed before May 10 of the year in which the addition to assessed valuation is made.

(b) If notice of the addition to assessed valuation or new assessment for any year is not given to the property owner before April 10 of that year, the deduction application required by this section may be filed not later than thirty (30) days after the date such a notice is mailed to the property owner at the address shown on the records of the township assessor.

(c) The deduction application required by this section must contain the following information:

(1) The name of the property owner.

(2) A description of the property for which a deduction is claimed in sufficient detail to afford identification.

(3) The assessed value of the improvements before rehabilitation.

(4) The increase in the assessed value of improvements resulting from the rehabilitation.

(5) The assessed value of the new structure in the case of redevelopment.

(6) The amount of the deduction claimed for the first year of the deduction.

(7) If the deduction application is for a deduction in a residentially distressed area, the assessed value of the improvement or new structure for which the deduction is claimed.

(d) A deduction application filed under subsection (a) or (b) is applicable for the year in which the addition to assessed value or assessment of a new structure is made and in the following years the deduction is allowed without any additional deduction application being filed. However, property owners who had an area designated an urban development area pursuant to a deduction application filed prior to January 1, 1979, are only entitled to a deduction for a five (5) year period. In addition, property owners who are entitled to a deduction under this chapter pursuant to a deduction application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for a ten (10) year period.

(e) A property owner who desires to obtain the deduction provided by section 3 of this chapter but who has failed to file a deduction application within the dates prescribed in subsection (a) or (b) may file a deduction application between March 1 and May 10 of a subsequent year which shall be applicable for the year filed and the subsequent years without any additional deduction application being filed for the amounts of the deduction which would be applicable to such years pursuant to section 4 of this chapter if such a deduction application had been filed in accordance with subsection (a) or (b).

(f) Subject to subsection (i), the county auditor shall act as follows:

(1) If a determination about the number of years the deduction is allowed has been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall make the appropriate deduction.

(2) If a determination about the number of years the deduction is allowed has not been made in the resolution adopted under section 2.5 of this chapter, the county auditor shall send a copy of the deduction application to the designating body. Upon receipt of the resolution stating the number of years the deduction will be allowed, the county auditor shall make the appropriate deduction.

(3) If the deduction application is for rehabilitation or redevelopment in a residentially distressed area, the county auditor shall make the appropriate deduction.

(g) The amount and period of the deduction provided for property by section 3 of this chapter are not affected by a change in the ownership of the property if the new owner of the property:

(1) continues to use the property in compliance with any standards established under section 2(g) of this chapter; and

(2) files an application in the manner provided by subsection (e).

(h) The township assessor shall include a notice of the deadlines for filing a deduction application under subsections (a) and (b) with each notice to a property owner of an addition to assessed value or of a new assessment.

(i) Before the county auditor acts under subsection (f), the county auditor may request that the township assessor of the township in which the property is located review the deduction application.

(j) A property owner may appeal the a determination of the county auditor under subsection (f) to deny or alter the amount of the deduction by filing a complaint in the office of the clerk of the circuit or superior court requesting in writing a preliminary conference with the county auditor not more than forty-five (45) days after the county auditor gives the person notice of the determination. An appeal initiated under this subsection is processed and determined in the same manner that an appeal is processed and determined under IC 6-1.1-15.

SECTION 4. IC 6-1.1-12.1-5.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:
Sec. 5.1. (a) This subsection applies to:

(1) all deductions under section 3 of this chapter for property located in a residentially distressed area; and

(2) any other deductions for which a statement of benefits was approved under section 3 of this chapter before July 1, 1991.

In addition to the requirements of section 5(c) of this chapter, a deduction application filed under section 5 of this chapter must contain information showing the extent to which there has been compliance with the statement of benefits approved under section 3 of this chapter. Failure to comply with a statement of benefits approved before July 1, 1991, may not be a basis for rejecting a deduction application.

(b) This subsection applies to each deduction (other than a deduction for property located in a residentially distressed area) for which a statement of benefits was approved under section 3 of this chapter after June 30, 1991. In addition to the requirements of section 5(c) of this chapter, a property owner who files a deduction application under section 5 of this chapter must provide the county auditor and the designating body with information showing the extent to which there has been compliance with the statement of benefits approved under section 3 of this chapter. This information must be included in the deduction application and must also be updated ~~within sixty (60) days after the end of each year in which the deduction is~~ applicable **at the same time that the property owner is required to**

file a personal property tax return in the taxing district in which the property for which the deduction was granted is located. If the taxpayer does not file a personal property tax return in the taxing district in which the property is located, the information must be provided before May 15.

(c) Notwithstanding IC 5-14-3 and IC 6-1.1-35-9, the following information is a public record if filed under this section:

- (1) The name and address of the taxpayer.
- (2) The location and description of the property for which the deduction was granted.
- (3) Any information concerning the number of employees at the property for which the deduction was granted, including estimated totals that were provided as part of the statement of benefits.
- (4) Any information concerning the total of the salaries paid to those employees, including estimated totals that were provided as part of the statement of benefits.
- (5) Any information concerning the assessed value of the property, including estimates that were provided as part of the statement of benefits.

(d) The following information is confidential if filed under this section:

- (1) Any information concerning the specific salaries paid to individual employees by the property owner.
- (2) Any information concerning the cost of the property."

Page 15, line 2, delete "2010." and insert "**2017**."

Page 17, line 1, delete "50%" and insert "**75%**".

Page 17, line 2, delete "33%" and insert "**50%**".

Page 17, line 3, delete "16.5%" and insert "**25%**".

Page 17, delete lines 4 through 8, begin a new paragraph and insert:

"(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor shall:

- (1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and"**

Page 18, line 14, delete "50%" and insert "**75%**".

Page 18, line 15, delete "33%" and insert "**50%**".

Page 18, line 16, delete "16.5%" and insert "**25%**".

Page 21, line 30, delete "2011," and insert "**2018**".

Page 22, line 30, delete "and exclusively".

Page 23, line 13, delete "." and insert ", **modified by considering only Indiana qualified research expenses and gross receipts attributable to Indiana in the calculation of the taxpayer's:**

- (1) fixed base percentage; and**
- (2) average annual gross receipts."**

Page 25, delete lines 32 through 42, begin a new paragraph and insert:

"SECTION 19. IC 6-3.1-24-7, AS AMENDED BY P.L.4-2005, SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE FEBRUARY 9, 2005 (RETROACTIVE)]: Sec. 7. (a) The Indiana economic development corporation shall certify that a business is a qualified Indiana business if the corporation determines that the business:

- (1) has its headquarters in Indiana;
- (2) is primarily focused on **professional motor vehicle racing**, commercialization of research and development, technology transfers, or the application of new technology, or is determined by the Indiana economic development corporation to have significant potential to:
 - (A) bring substantial capital into Indiana;
 - (B) create jobs;
 - (C) diversify the business base of Indiana; or
 - (D) significantly promote the purposes of this chapter in any other way;
- (3) has had average annual revenues of less than ten million dollars (\$10,000,000) in the two (2) years preceding the year in which the business received qualified investment capital from a taxpayer claiming a credit under this chapter;

(4) has:

- (A) at least fifty percent (50%) of its employees residing in Indiana; or
- (B) at least seventy-five percent (75%) of its assets located in Indiana; and

(5) is not engaged in a business involving:

- (A) real estate;
- (B) real estate development;
- (C) insurance;
- (D) professional services provided by an accountant, a lawyer, or a physician;
- (E) retail sales, except when the primary purpose of the business is the development or support of electronic commerce using the Internet; or
- (F) oil and gas exploration.

(b) A business shall apply to be certified as a qualified Indiana business on a form prescribed by the Indiana economic development corporation.

(c) If a business is certified as a qualified Indiana business under this section, the Indiana economic development corporation shall provide a copy of the certification to the investors in the qualified Indiana business for inclusion in tax filings.

(d) The Indiana economic development corporation may impose an application fee of not more than two hundred dollars (\$200).

SECTION 20. IC 6-3.1-24-9, AS AMENDED BY P.L.4-2005, SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE FEBRUARY 9, 2005 (RETROACTIVE)]: Sec. 9. (a) The total amount of tax credits that may be allowed under this chapter in a particular calendar year for qualified investment capital provided during that calendar year may not exceed ~~ten~~ **twelve million five hundred thousand** dollars (~~\$10,000,000~~; **\$12,500,000**). The Indiana economic development corporation may not certify a proposed investment plan under section 12.5 of this chapter if the proposed investment would result in the total amount of the tax credits certified for the calendar year exceeding ~~ten~~ **twelve million five hundred thousand** dollars (~~\$10,000,000~~; **\$12,500,000**). An amount of an unused credit carried over by a taxpayer from a previous calendar year may not be considered in determining the amount of proposed investments that the Indiana economic development corporation may certify under this chapter.

(b) Notwithstanding the other provisions of this chapter, a taxpayer is not entitled to a credit for providing qualified investment capital to a qualified Indiana business after December 31, 2008. However, this subsection may not be construed to prevent a taxpayer from carrying over to a taxable year beginning after December 31, 2008, an unused tax credit attributable to an investment occurring before January 1, 2009."

Delete page 26.

Page 27, delete lines 1 through 10.

Page 27, delete lines 21 through 42, begin a new paragraph and insert:

"SECTION 22. IC 6-3.1-24-12.5, AS AMENDED BY P.L.4-2005, SECTION 100, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE FEBRUARY 9, 2005 (RETROACTIVE)]: Sec. 12.5. (a) A taxpayer wishing to obtain a credit under this chapter must apply to the Indiana economic development corporation for a certification that the taxpayer's proposed investment plan would qualify for a credit under this chapter.

(b) The application required under subsection (a) must include:

- (1) the name and address of the taxpayer;
- (2) the name and address of each proposed recipient of the taxpayer's proposed investment;
- (3) the amount of the proposed investment;
- (4) a copy of the certification issued under section 7 of this chapter that the proposed recipient is a qualified Indiana business; and
- (5) any other information required by the Indiana economic development corporation.

(c) If the Indiana economic development corporation determines that:

- (1) the proposed investment would qualify the taxpayer for a credit under this chapter; and
- (2) the amount of the proposed investment would not result in

the total amount of tax credits certified for the calendar year exceeding ~~ten~~ **twelve million five hundred thousand** dollars ~~(\$10,000,000);~~ **(\$12,500,000);**

the corporation shall certify the taxpayer's proposed investment plan.

(d) To receive a credit under this chapter, the taxpayer must provide qualified investment capital to a qualified Indiana business according to the taxpayer's certified investment plan within two (2) years after the date on which the Indiana economic development corporation certifies the investment plan.

(e) Upon making the investment required under subsection (d), the taxpayer shall provide proof of the investment to the Indiana economic development corporation.

(f) Upon receiving proof of a taxpayer's investment under subsection (e), the Indiana economic development corporation shall issue the taxpayer a certificate indicating that the taxpayer has fulfilled the requirements of the corporation and that the taxpayer is entitled to a credit under this chapter.

(g) A taxpayer forfeits the right to a tax credit attributable to an investment certified under subsection (c) if the taxpayer fails to make the proposed investment within the period required under subsection (d)."

Page 28, delete lines 1 through 20, begin a new paragraph and insert:

"SECTION 23. IC 6-3.1-30 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]:

Chapter 30. Headquarters Relocation Tax Credit

Sec. 1. As used in this chapter, "corporate headquarters" means the building or buildings where the principal offices of the principal executive officers of an eligible business are located.

Sec. 2. As used in this chapter, "eligible business" means a business that:

- (1) is engaged in either interstate or intrastate commerce;
- (2) maintains a corporate headquarters at a location outside Indiana;
- (3) has not previously maintained a corporate headquarters at a location in Indiana;
- (4) had annual worldwide revenues of at least five hundred million dollars (\$500,000,000) for the taxable year immediately preceding the business's application for a tax credit under section 12 of this chapter; and
- (5) commits contractually to relocating its corporate headquarters to Indiana.

Sec. 3. As used in this chapter, "pass through entity" means:

- (1) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) a partnership;
- (3) a limited liability company; or
- (4) a limited liability partnership.

Sec. 4. As used in this chapter, "qualifying project" means the relocation of the corporate headquarters of an eligible business from a location outside Indiana to a location in Indiana.

Sec. 5. As used in this chapter, "relocation costs" means the reasonable and necessary expenses incurred by an eligible business for a qualifying project. The term includes:

- (1) moving costs and related expenses;
- (2) the purchase of new or replacement equipment;
- (3) capital investment costs; and
- (4) property assembly and development costs, including:
 - (A) the purchase, lease, or construction of buildings and land;
 - (B) infrastructure improvements; and
 - (C) site development costs.

The term does not include any costs that do not directly result from the relocation of the business to a location in Indiana.

Sec. 6. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-2.5 (state gross retail and use tax);
- (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
- (3) IC 6-5.5 (the financial institutions tax); and
- (4) IC 27-1-18-2 (the insurance premiums tax);

as computed after the application of the credits that under

IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 7. As used in this chapter, "taxpayer" means an individual or entity that has any state tax liability.

Sec. 8. A taxpayer that:

- (1) is an eligible business;
- (2) completes a qualifying project; and
- (3) incurs relocation costs;

is entitled to a credit against the taxpayer's state tax liability for the taxable year in which the relocation costs are incurred. The credit allowed under this section is equal to the amount determined under section 9 of this chapter.

Sec. 9. (a) Subject to subsection (b), the amount of the credit to which a taxpayer is entitled under section 8 of this chapter equals the product of:

- (1) fifty percent (50%); multiplied by
- (2) the amount of the taxpayer's relocation costs in the taxable year.

(b) The credit to which a taxpayer is entitled under section 8 of this chapter may not reduce the taxpayer's state tax liability below the amount of the taxpayer's state tax liability in the taxable year immediately preceding the taxable year in which the taxpayer first incurred relocation costs.

Sec. 10. If a pass through entity is entitled to a credit under section 8 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

Sec. 11. (a) If the credit provided by this chapter exceeds the taxpayer's state tax liability for the taxable year for which the credit is first claimed, the excess may be carried forward to succeeding taxable years and used as a credit against the taxpayer's state tax liability during those taxable years. Each time that the credit is carried forward to a succeeding taxable year, the credit is to be reduced by the amount that was used as a credit during the immediately preceding taxable year. The credit provided by this chapter may be carried forward and applied to succeeding taxable years for nine (9) taxable years following the unused credit year.

(b) A taxpayer is not entitled to any carryback or refund of any unused credit.

Sec. 12. To receive the credit provided by this chapter, a taxpayer must claim the credit on the taxpayer's state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department proof of the taxpayer's relocation costs and all information that the department determines is necessary for the calculation of the credit provided by this chapter.

Sec. 13. In determining whether an expense of the eligible business directly resulted from the relocation of the business, the department shall consider whether the expense would likely have been incurred by the eligible business if the business had not relocated from its original location.

SECTION 24. IC 6-3.5-7-13.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 13.1.** (a) The fiscal officer of each county, city, or town for a county in which the county economic development tax is imposed shall establish an economic development income tax fund. Except as provided in sections 23, 25, 26, and 27 of this chapter, the revenue received by a county, city, or town under this chapter shall be deposited in the unit's economic development income tax fund.

(b) Except as provided in sections 15, 23, 25, 26, and 27 of this chapter, revenues from the county economic development income tax may be used as follows:

- (1) By a county, city, or town for economic development projects, for paying, notwithstanding any other law, under a written agreement all or a part of the interest owed by a private developer or user on a loan extended by a financial institution or other lender to the developer or user if the proceeds of the

loan are or are to be used to finance an economic development project, for the retirement of bonds under section 14 of this chapter for economic development projects, for leases under section 21 of this chapter, or for leases or bonds entered into or issued prior to the date the economic development income tax was imposed if the purpose of the lease or bonds would have qualified as a purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

- (A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;
- (B) the retirement of bonds issued under any provision of Indiana law for a capital project;
- (C) the payment of lease rentals under any statute for a capital project;
- (D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;
- (E) operating expenses of a governmental entity that plans or implements economic development projects;
- (F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or
- (G) funding of a revolving fund established under IC 5-1-14-14.

(3) For a regional venture capital fund established under section 13.5 of this chapter.

(c) As used in this section, an economic development project is any project that:

- (1) the county, city, or town determines will:
 - (A) promote significant opportunities for the gainful employment of its citizens;
 - (B) attract a major new business enterprise to the unit; or
 - (C) retain or expand a significant business enterprise within the unit; and
- (2) involves an expenditure for:
 - (A) the acquisition of land;
 - (B) interests in land;
 - (C) site improvements;
 - (D) infrastructure improvements;
 - (E) buildings;
 - (F) structures;
 - (G) rehabilitation, renovation, and enlargement of buildings and structures;
 - (H) machinery;
 - (I) equipment;
 - (J) furnishings;
 - (K) facilities;
 - (L) administrative expenses associated with such a project, including contract payments authorized under subsection (b)(2)(D);
 - (M) operating expenses authorized under subsection (b)(2)(E); or
 - (N) to the extent not otherwise allowed under this chapter, substance removal or remedial action in a designated unit;

or any combination of these.

SECTION 25. IC 6-3.5-7-13.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 13.5. (a) The general assembly finds that counties and municipalities in Indiana have a need to foster economic development, the development of new technology, and industrial and commercial growth. The general assembly finds that it is necessary and proper to provide an alternative method for counties and municipalities to foster the following:**

- (1) Economic development.**
- (2) The development of new technology.**
- (3) Industrial and commercial growth.**
- (4) Employment opportunities.**
- (5) The diversification of industry and commerce.**

It is declared that the fostering of economic development and the development of new technology under this section for the benefit

of the general public, including industrial and commercial enterprises, is a public purpose.

(b) The fiscal bodies of two (2) or more counties or municipalities may, by resolution, do the following:

(1) Determine that part or all the taxes received by the units under this chapter should be combined to foster:

- (A) economic development;**
- (B) the development of new technology; and**
- (C) industrial and commercial growth.**

(2) Establish a regional venture capital fund.

(c) Each unit participating in a regional venture capital fund established under subsection (b) may deposit the following in the fund:

- (1) Taxes distributed to the unit under this chapter.**
- (2) The proceeds of public or private grants.**

(d) A regional venture capital fund shall be administered by a governing board. The expenses of administering the fund shall be paid from money in the fund. The governing board shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited into the fund. The fund is subject to an annual audit by the state board of accounts. The fund shall bear the full costs of the audit.

(e) The fiscal body of each participating unit shall approve an interlocal agreement created under IC 36-1-7 establishing the terms for the administration of the regional venture capital fund. The terms must include the following:

- (1) The membership of the governing board.**
- (2) The amount of each unit's contribution to the fund.**
- (3) The procedures and criteria under which the governing board may loan or grant money from the fund.**
- (4) The procedures for the dissolution of the fund and for the distribution of money remaining in the fund at the time of the dissolution.**

(f) An interlocal agreement made by the participating units under subsection (e) must be submitted to the Indiana economic development corporation for approval before the participating units may contribute to the fund.

(g) A majority of the members of a governing board of a regional venture capital fund established under this section must each have at least fifteen (15) years of experience in business, finance, or venture capital.

(h) The governing board of the fund may loan or grant money from the fund to a private or public entity if the governing board finds that the loan or grant will be used by the borrower or grantee for at least one (1) of the following economic development purposes:

- (1) To promote significant employment opportunities for the residents of the units participating in the regional venture capital fund.**
- (2) To attract a major new business enterprise to a participating unit.**
- (3) To develop, retain, or expand a significant business enterprise in a participating unit.**

(i) The expenditures of a borrower or grantee of money from a regional venture capital fund that are considered to be for an economic development purpose include expenditures for any of the following:

- (1) Research and development of technology.**
- (2) Job training and education.**
- (3) Acquisition of property interests.**
- (4) Infrastructure improvements.**
- (5) New buildings or structures.**
- (6) Rehabilitation, renovation, or enlargement of buildings or structures.**
- (7) Machinery, equipment, and furnishings."**

Page 30, line 7, delete "2011," and insert "2018,".

Page 30, line 11, delete "2011," and insert "2018,".

Page 36, line 20, delete "2011," and insert "2018,".

Page 36, line 24, delete "2011," and insert "2018,".

Page 40, line 38, delete "2011," and insert "2018,".

Page 40, line 42, delete "2011," and insert "2018,".

Page 46, between lines 22 and 23, begin a new paragraph and

insert:

"SECTION 30. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding the effective dates included in HEA 1003-2005, the following provisions take effect February 9, 2005, and not July 1, 2005:

- (1) SECTIONS 66 through 85 of HEA 1003-2005.
- (2) SECTIONS 102 through 110 of HEA 1003-2005.
- (3) SECTION 112 of HEA 1003-2005.

(b) The actions taken by the Indiana economic development corporation to administer IC 6-3.1-13 and IC 6-3.1-26, both as amended by HEA 1003-2005, after February 8, 2005, and before the effective date of this act, are legalized and validated.

Page 46, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 33. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] IC 6-1.1-12.1-5 and IC 6-1.1-12.1-5.1, both as amended by this act, apply to property taxes first due and payable after December 31, 2005.

SECTION 34. [EFFECTIVE JANUARY 1, 2006] IC 6-3.1-30, as added by this act, applies to taxable years beginning after December 31, 2005.

SECTION 35. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] (a) Beginning January 1, 2005, and ending February 9, 2005, this SECTION applies instead of IC 6-3.1-24-7.

(b) The definitions set forth in IC 6-3.1-24 apply throughout this SECTION.

(c) The Indiana economic development corporation shall certify that a business is a qualified Indiana business if the corporation determines that the business:

- (1) has its headquarters in Indiana;
- (2) is primarily focused on professional motor vehicle racing, commercialization of research and development, technology transfers, or the application of new technology, or is determined by the Indiana economic development corporation to have significant potential to:
 - (A) bring substantial capital into Indiana;
 - (B) create jobs;
 - (C) diversify the business base of Indiana; or
 - (D) significantly promote the purposes of this chapter in any other way;
- (3) has had average annual revenues of less than ten million dollars (\$10,000,000) in the two (2) years preceding the year in which the business received qualified investment capital from a taxpayer claiming a credit under IC 6-3.1-24;
- (4) has:
 - (A) at least fifty percent (50%) of its employees residing in Indiana; or
 - (B) at least seventy-five percent (75%) of its assets located in Indiana; and
- (5) is not engaged in a business involving:
 - (A) real estate;
 - (B) real estate development;
 - (C) insurance;
 - (D) professional services provided by an accountant, a lawyer, or a physician;
 - (E) retail sales, except when the primary purpose of the business is the development or support of electronic commerce using the Internet; or
 - (F) oil and gas exploration.

(d) A business shall apply to be certified as a qualified Indiana business on a form prescribed by the Indiana economic development corporation.

(e) If a business is certified as a qualified Indiana business under this SECTION, the Indiana economic development corporation shall provide a copy of the certification to the investors in the qualified Indiana business for inclusion in tax filings.

(f) The Indiana economic development corporation may impose an application fee of not more than two hundred dollars (\$200).

(g) This SECTION expires February 9, 2005.

SECTION 36. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] (a) Beginning January 1, 2005, and ending February 9, 2005, this SECTION applies instead of IC 6-3.1-24-9.

(b) The definitions set forth in IC 6-3.1-24 apply throughout this SECTION.

(c) The total amount of tax credits that may be allowed under IC 6-3.1-24 in a particular calendar year for qualified investment capital provided during that calendar year may not exceed twelve million five hundred thousand dollars (\$12,500,000). The Indiana economic development corporation may not certify a proposed investment plan under IC 6-3.1-24-12.5 if the proposed investment would result in the total amount of the tax credits certified for the calendar year exceeding twelve million five hundred thousand dollars (\$12,500,000). An amount of an unused credit carried over by a taxpayer from a previous calendar year may not be considered in determining the amount of proposed investments that the Indiana economic development corporation may certify under IC 6-3.1-24.

(d) Notwithstanding the other provisions of this chapter, a taxpayer is not entitled to a credit for providing qualified investment capital to a qualified Indiana business after December 31, 2008. However, this subsection may not be construed to prevent a taxpayer from carrying over to a taxable year beginning after December 31, 2008, an unused tax credit attributable to an investment occurring before January 1, 2009.

(e) This SECTION expires February 9, 2005.

SECTION 37. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] (a) Beginning January 1, 2005, and ending February 9, 2005, this SECTION applies instead of IC 6-3.1-24-12.5.

(b) The definitions set forth in IC 6-3.1-24 apply throughout this SECTION.

(c) A taxpayer wishing to obtain a credit under IC 6-3.1-24 must apply to the Indiana economic development corporation for a certification that the taxpayer's proposed investment plan would qualify for a credit under IC 6-3.1-24.

(d) The application required under subsection (c) must include:

- (1) the name and address of the taxpayer;
- (2) the name and address of each proposed recipient of the taxpayer's proposed investment;
- (3) the amount of the proposed investment;
- (4) a copy of the certification issued under section IC 6-3.1-24-7 that the proposed recipient is a qualified Indiana business; and
- (5) any other information required by the Indiana economic development corporation.

(e) If the Indiana economic development corporation determines that:

- (1) the proposed investment would qualify the taxpayer for a credit under IC 6-3.1-24; and
- (2) the amount of the proposed investment would not result in the total amount of tax credits certified for the calendar year exceeding twelve million five hundred thousand dollars (\$12,500,000);

the corporation shall certify the taxpayer's proposed investment plan.

(f) To receive a credit under IC 6-3.1-24, the taxpayer must provide qualified investment capital to a qualified Indiana business according to the taxpayer's certified investment plan within two (2) years after the date on which the Indiana economic development corporation certifies the investment plan.

(g) Upon making the investment required under subsection (f), the taxpayer shall provide proof of the investment to the Indiana economic development corporation.

(h) Upon receiving proof of a taxpayer's investment under subsection (g), the Indiana economic development corporation shall issue the taxpayer a certificate indicating that the taxpayer has fulfilled the requirements of the corporation and that the taxpayer is entitled to a credit under IC 6-3.1-24.

(i) A taxpayer forfeits the right to a tax credit attributable to an investment certified under subsection (e) if the taxpayer fails to make the proposed investment within the period required under subsection (f).

(j) This SECTION expires February 9, 2005."

Renumber all SECTIONS consecutively.

(Reference is to SB 1 as printed February 11, 2005.)

and when so amended that said bill do pass.

Committee Vote: yeas 20, nays 0.

ESPICH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 202, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-12-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) The trustees of Indiana University, the trustees of Purdue University, Indiana State University board of trustees, the University of Southern Indiana board of trustees, and the Ball State University board of trustees are authorized and empowered, from time to time, if the governing boards of these corporations find that a necessity exists, to erect, construct, reconstruct, extend, remodel, improve, complete, equip, furnish, operate, control, and manage:

- (1) dormitories and other housing facilities for single and married students and school personnel;
- (2) food service facilities;
- (3) student infirmaries and other health service facilities, including revenue-producing hospital facilities serving the general public, together with parking facilities and other appurtenances in connection with any of the foregoing;
- (4) parking facilities in connection with academic facilities; or
- (5) ~~medical research facilities associated with a school of medicine, for any of its campuses,~~ if the facilities will generate revenue from state, federal, local, or private gifts, grants, contractual payments, or reimbursements in an amount that is reasonably expected to at least equal the annual debt service requirements of the bonds for the facility for each fiscal year that the bonds are outstanding;

at or in connection with Indiana University, Purdue University, Indiana State University, the University of Southern Indiana, and Ball State University, for the purposes of the respective institutions. These corporations are also authorized and empowered to acquire, by purchase, lease, condemnation, gift or otherwise, any property, real or personal, that in the judgment of these corporations is necessary for the purposes set forth in this section. The corporations may improve and use any property acquired for the purposes set forth in this section.

(b) Title to all property so acquired, including the improvements located on the property, shall be taken and held by and in the name of the corporations. If the governing board of any of these corporations determines that real estate, the title to which is in the name of the state, for the use and benefit of the corporation or institution under its control, is reasonably required for any of the purposes set forth in this section, the real estate may, upon request in writing of the governing board of the corporation to the governor of the state and upon the approval of the governor, be conveyed by deed from the state to the corporation. The governor shall be authorized to execute and deliver the deed in the name of the state, signed on behalf of the state by the governor, attested by the auditor of state and with the seal of the state affixed to the deed.

SECTION 2. IC 20-12-8-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The general assembly may establish each biennium in the appropriation act the maximum aggregate principal amount of bonds which any one (1) or more corporations may issue during the ensuing biennium under the provisions of this chapter.

(b) The board of trustees of a state educational institution described in section 1(a) of this chapter may issue bonds to finance or refinance projects described in section 1(a)(5) of this chapter without the general assembly:

- (1) approving the project to be financed through the

issuance and sale of these bonds; or

- (2) providing the amount of bonds that may be issued to fund the costs of erecting, constructing, reconstructing, extending, remodeling, improving, completing, equipping, or furnishing the specific project.

The principal amount of bonds to which this subsection applies shall be treated as supplemental to any principal amount of bonds authorized by the general assembly."

Page 1, line 1, after "[EFFECTIVE UPON PASSAGE]" insert "(a)".

Page 1, line 11, delete "thirty" and insert "thirty-one".

Page 1, line 11, after "million" insert "two hundred thousand".

Page 1, line 11, delete "\$30,000,000)." and insert "\$31,200,000)."

Page 1, between lines 11 and 12, begin a new paragraph and insert:

"(b) Notwithstanding IC 20-12-8-1, the trustees of Indiana University may use a part of the proceeds of the bond issue authorized by subsection (a) for an integrated transit study. The purpose of the study must be to ascertain and recommend options for increasing accessibility to the Indianapolis campus and surrounding areas. The costs of the study authorized by this subsection may not exceed two hundred thousand dollars (\$200,000)."

Renumber all SECTIONS consecutively.

(Reference is to SB 202 as printed January 19, 2005.)

and when so amended that said bill do pass.

Committee Vote: yeas 20, nays 0.

ESPICH, Chair

Report adopted.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Engrossed Senate Bill 414, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 6-3.1-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 1. ~~As used in this~~ The following definitions apply throughout this chapter:

(1) "Automotive electronics" involves the techniques and equipment used to achieve automatic operation or control of equipment, a process, or a system.

(2) "Base amount" means base amount (as defined in Section 41(c) of the Internal Revenue Code as in effect on January 1, 2001).

(3) "Base period Indiana qualified research expense" means base period research expense that is incurred for research conducted in Indiana.

(4) "Base period research expense" means base period research expense (as defined in Section 41(c) of the Internal Revenue Code before January 1, 1990).

(5) "Indiana qualified research expense" means qualified research expense that is incurred for research conducted in Indiana.

(6) "Qualified advanced manufacturing company" means any business entity that:

(A) maintains one (1) or more manufacturing facilities in Indiana employing during each month of the taxpayer's taxable year at least two thousand five hundred (2,500) employees in full-time employment positions that pay on average more than four hundred percent (400%) of the hourly minimum wage under IC 22-2-2-4 or its equivalent;

(B) is engaged primarily in the business of automotive electronics, aerospace, defense, robotics, or engineering design technology, manufacturing, or production; and

(C) has been designated as a qualified advanced manufacturing company by executive order of the governor.

(7) "Qualified research expense" means qualified research

expense (as defined in Section 41(b) of the Internal Revenue Code as in effect on January 1, 2001).

(8) "Pass through entity" means:

- (1) (A) a corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);
- (2) (B) a partnership;
- (3) (C) a limited liability company; or
- (4) (D) a limited liability partnership.

(9) "Research expense tax credit" means a credit provided under this chapter against any tax otherwise due and payable under IC 6-3.

(10) "Taxpayer" means an individual, a corporation, a limited liability company, a limited liability partnership, a trust, or a partnership that has any tax liability under IC 6-3 (adjusted gross income tax).

SECTION 2. IC 6-3.1-4-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: **Sec 2.5. (a) A qualified advanced manufacturing company that incurs Indiana qualified research expense in a particular taxable year may elect to calculate the research expense tax credit under this section instead of under section 2 of this chapter.**

(b) An election under this section applies to the taxable year for which the election is made and all succeeding taxable years unless the election is revoked with the consent of the department. An election must be made in the manner and on the form prescribed by the department.

(c) Except as provided in subsection (d), the credit is equal to one percent (1%) multiplied by:

- (1) the taxpayer's Indiana qualified research expenses for the taxable year; minus**
- (2) fifty percent (50%) of the taxpayer's average Indiana qualified research expenses for the three (3) taxable years preceding the taxable year for which the credit is being determined.**

(d) If the taxpayer does not have Indiana qualified research expenses in any one (1) of the three (3) taxable years preceding the taxable year for which the credit is being determined, the credit under this section is equal to one percent (1%) of the Indiana qualified research expenses for the taxable year."

Page 2, strike lines 5 through 10.

Page 2, line 11, strike "(4)" and insert "(2)".

Page 2, line 15, strike "(5)" and insert "(3)".

Page 3, line 5, strike "(6)" and insert "(4)".

Page 3, line 5, strike "two hundred (200)" and insert "seventy-five (75)".

Page 3, line 7, strike "(7)" and insert "(5)".

Page 3, line 13, strike "(8)" and insert "(6)".

Page 3, line 17, strike "(9)" and insert "(7)".

Page 3, line 20, strike "(10)" and insert "(8)".

Page 3, line 24, strike "(11)" and insert "(9)".

Page 3, line 26, strike "and fifty cents (\$1.50)" and insert "(\$1)".

Page 3, line 27, strike "three" and insert "two".

Page 3, line 28, strike "(\$3)" and insert "(\$2)".

Page 3, line 33, strike "(12)" and insert "(10)".

Page 4, line 32, strike "In the".

Page 4, strike line 33.

Page 4, line 34, delete "may".

Page 4, line 34, strike "consider the magnitude of the cost differential between the".

Page 4, strike lines 35 through 36.

Page 4, between lines 36 and 37, begin a new paragraph and insert: "SECTION 7. IC 6-3.1-13-19.5, AS AMENDED BY P.L.4-2005, SECTION 77, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 19.5. (a) In the case of a credit awarded for a project to retain existing jobs in Indiana, the corporation shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all of the following:

- (1) A detailed description of the business that is the subject of the agreement.
- (2) The duration of the tax credit and the first taxable year for which the credit may be claimed.

(3) The credit amount that will be allowed for each taxable year.

(4) A requirement that the applicant shall maintain operations at the project location for at least two (2) times the number of years as the term of the tax credit. An applicant is subject to an assessment under section 22 of this chapter for noncompliance with the requirement described in this subdivision.

(5) A requirement that the applicant shall annually report the following to the corporation:

(A) The number of employees who are employed in Indiana by the applicant.

(B) The compensation (including benefits) paid to the applicant's employees in Indiana.

(C) The amount of the:

- (i) facility improvements;
- (ii) equipment and machinery upgrades, repairs, or retrofits; or
- (iii) other direct business related investments, including training.

(6) A requirement that the applicant shall provide written notification to the director and the corporation not more than thirty (30) days after the applicant makes or receives a proposal that would transfer the applicant's state tax liability obligations to a successor taxpayer.

~~(7) A requirement that the chief executive officer of the company applying for a credit under this chapter must verify under penalty of perjury that the disparity between projected costs of the applicant's project in Indiana compared with the costs for the project in a competing site is real and actual.~~

~~(8) (7) Any other performance conditions that the corporation determines are appropriate.~~

(b) An agreement between an applicant and the corporation must be submitted to the budget committee for review and must be approved by the budget agency before an applicant is awarded a credit under this chapter for a project to retain existing jobs in Indiana."

Page 5, between lines 34 and 35, begin a new paragraph and insert: "SECTION 9. IC 6-3.1-13-26, AS AMENDED BY P.L.4-2005, SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 26. (a) The economic development for a growing economy fund is established to be used exclusively for the purposes of this chapter, ~~and~~ IC 6-3.1-26, ~~and~~ IC 6-3.1-26.2, including paying for the costs of administering this chapter, ~~and~~ IC 6-3.1-26, ~~and~~ IC 6-3.1-26.2. The fund shall be administered by the corporation.

(b) The fund consists of collected fees, appropriations from the general assembly, and gifts and grants to the fund.

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested. Interest that accrues from these investments shall be deposited in the fund.

(d) The money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for the purposes of this chapter. Expenditures from the fund are subject to appropriation by the general assembly and approval by the budget agency."

Page 6, after line 40, begin a new paragraph and insert:

"SECTION 11. IC 6-3.1-26.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:

Chapter 26.2. Advanced Manufacturing Investment and Job Retention Credits

Sec. 1. As used in this chapter, "advanced manufacturing jobs" means employment in automotive electronics (as defined in IC 6-3.1-4-1), aerospace, defense, robotics, or engineering design technology, manufacturing, or production that pays on average more than four hundred percent (400%) of the hourly minimum wage under IC 22-2-2-4 or its equivalent.

Sec. 2. (a) As used in this chapter, "certified advanced manufacturing investment" means the amount of a qualified advanced manufacturing company's expenditures for:

- (1) the purchase of new manufacturing equipment and tooling;**
- (2) the purchase of new computers, software, and related**

equipment;

- (3) costs associated with the modernization of existing manufacturing facilities;
- (4) onsite infrastructure improvements;
- (5) the construction of new manufacturing facilities;
- (6) costs associated with retooling existing machinery and equipment; and
- (7) costs associated with the construction of special purpose buildings and foundations for use in the advanced manufacturing sector;

that are certified by the IEDC as being eligible for the credit under this chapter.

(b) The term does not include expenditures made before January 1, 2005, or after December 31, 2009.

Sec. 3. As used in this chapter, "full-time employee" has the meaning set forth in IC 6-3.1-13-4.

Sec. 4. As used in this chapter, "IEDC" refers to the Indiana economic development corporation established by IC 5-28-3-1.

Sec. 5. As used in this chapter, "income tax withholdings" means the total amount withheld under IC 6-3-4-8 by the taxpayer during the taxable year from the compensation of employees.

Sec. 6. As used in this chapter, "qualified advanced manufacturing company" means a taxpayer that:

- (1) maintains one (1) or more facilities in Indiana employing at least two thousand five hundred (2,500) full-time employees in advanced manufacturing jobs during each of the twelve (12) months preceding an application for a credit under this chapter; and
- (2) has been designated as qualified by executive order of the governor.

Sec. 7. As used in this chapter, "qualified advanced manufacturing project" means a multiyear program of investment that:

- (1) has a projected cost of at least seventy million dollars (\$70,000,000); and
- (2) is undertaken by a qualified advanced manufacturing company at a location in Indiana for the purposes listed in section 2 of this chapter.

Sec. 8. As used in this chapter, "state tax liability" means a taxpayer's total tax liability incurred under IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax), as computed after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 9. As used in this chapter, "taxpayer" means an individual, a corporation, a partnership, or other entity that has state tax liability.

Sec. 10. The IEDC may make credit awards under this chapter to encourage advanced manufacturing investment and to foster expansion and retention of advanced manufacturing jobs in Indiana.

Sec. 11. A taxpayer that:

- (1) is awarded a tax credit under this chapter by the IEDC; and
- (2) complies with the conditions set forth in this chapter and the agreement entered into with the IEDC under this chapter;

is entitled to apply the credit against the taxpayer's state tax liability in a taxable year.

Sec. 12. (a) A qualified advanced manufacturing company is entitled to a credit against the taxpayer's state tax liability for a taxable year if the taxpayer makes a certified advanced manufacturing investment in a qualified advanced manufacturing project during that year.

(b) The amount of the credit to which a taxpayer is entitled is the certified advanced manufacturing investment made by the taxpayer during the taxable year multiplied by one percent (1%).

(c) A taxpayer may carry forward an unused credit under this section for not more than three (3) consecutive taxable years beginning with the taxable year after the taxable year in which the taxpayer makes the certified advanced manufacturing investment.

(d) A taxpayer may carry forward a remainder for one (1) or more different certified advanced manufacturing investments in

the same taxable year.

Sec. 13. (a) A qualified advanced manufacturing company that proposes a qualified advanced manufacturing project may claim a job retention tax credit under this section equal to one percent (1%) of the taxpayer's income tax withholdings attributable to full-time employees working in advanced manufacturing jobs at the qualified advanced manufacturing project site.

(b) The duration of the tax credit shall be based on the number of full-time advanced manufacturing jobs maintained at the qualified advanced manufacturing project site during the term of the credit, and shall be determined as follows:

(1) A credit shall be awarded for five (5) consecutive taxable years to a taxpayer that maintains at least two thousand five hundred (2,500) advanced manufacturing jobs at the qualified advanced manufacturing project site.

(2) A credit shall be awarded for four (4) consecutive taxable years to a taxpayer that maintains at least two thousand two hundred fifty (2,250) but less than two thousand five hundred (2,500) advanced manufacturing jobs at the qualified advanced manufacturing project site.

(3) A credit shall be awarded for three (3) consecutive taxable years to a taxpayer that maintains at least two thousand (2,000) but less than two thousand two hundred fifty (2,250) advanced manufacturing jobs at the qualified advanced manufacturing project site.

(c) If during the term of the credit the number of employees drops below the amount required in subsection (b)(1), (b)(2), or (b)(3), the duration of the credit shall be adjusted accordingly.

(d) The credit amount claimed for a taxable year under this section may exceed the taxpayer's state tax liability for the taxable year, in which case the excess shall be refunded to the taxpayer.

Sec. 14. (a) A qualified advanced manufacturing company may apply to the IEDC to enter into an agreement for a tax credit under:

- (1) section 12 of this chapter;
- (2) section 13 of this chapter; or
- (3) both sections 12 and 13 of this chapter.

(b) The IEDC shall prescribe the form of the application.

Sec. 15. After receipt of an application, the IEDC may enter into an agreement with the applicant for a tax credit under section 12 or 13 of this chapter, or both, if the IEDC determines that all the following conditions exist:

(1) The taxpayer has prepared a plan for the use of credits under this chapter for a qualified advanced manufacturing project.

(2) The qualified advanced manufacturing project will result in the growth or retention of full-time advanced manufacturing jobs in Indiana.

(3) The qualified advanced manufacturing project is economically sound and will benefit the citizens of Indiana by strengthening the economy of Indiana.

(4) Receiving the tax credit is a major factor in the taxpayer's decision to go forward with the qualified advanced manufacturing project.

(5) The average wage that will be paid by the taxpayer to its employees at the site of the qualified advanced manufacturing project after the credit is given will be at least equal to four hundred percent (400%) of the hourly minimum wage under IC 22-2-2-4 or its equivalent.

(6) The total cost of the qualified advanced manufacturing project will be at least seventy million dollars (\$70,000,000).

(7) The qualified advanced manufacturing project will be completed within five (5) consecutive years, including the first year for which the credit is granted.

(8) One (1) or more political subdivisions in which the qualified advanced manufacturing project is located have agreed to provide substantial financial support to the qualified advanced manufacturing project.

Sec. 16. The IEDC shall enter into an agreement with an applicant that is awarded a credit under this chapter. The agreement must include all the following:

- (1) A detailed description of the qualified advanced manufacturing project that is the subject of the agreement.

(2) The first taxable year for which the credit may be claimed.

(3) The amount of the taxpayer's state tax liability in the taxable year that immediately preceded the first taxable year in which the credit may be claimed.

(4) The maximum tax credit amount that will be allowed for each taxable year.

(5) A requirement that the taxpayer shall maintain operations at the qualified advanced manufacturing project site for at least ten (10) years, including the term of the tax credit.

(6) A requirement that the taxpayer shall pay an average wage to its advanced manufacturing employees at the qualified advanced manufacturing project site in each taxable year that a tax credit is available that equals at least four hundred percent (400%) of the hourly minimum wage under IC 22-2-2-4 or its equivalent.

(7) A requirement that the taxpayer make at least seventy million dollars (\$70,000,000) in certified advanced manufacturing investment at the qualified advanced manufacturing project site before December 31, 2009.

(8) For a taxpayer awarded a certified advanced manufacturing investment credit under section 12 of this chapter, a requirement that the taxpayer maintain at least two thousand five hundred (2,500) full-time employees in advanced manufacturing jobs in Indiana during the term of the tax credit.

(9) For a taxpayer awarded an advanced manufacturing jobs retention credit under section 13 of this chapter, a requirement that the taxpayer maintain:

(A) at least two thousand five hundred (2,500) advanced manufacturing jobs at the qualified advanced manufacturing project site during the term of the credit if the credit is awarded for five (5) years;

(B) at least two thousand two hundred fifty (2,250) advanced manufacturing jobs at the qualified advanced manufacturing project site during the term of the credit if the credit is awarded for four (4) years; or

(C) at least two thousand (2,000) advanced manufacturing jobs at the qualified advanced manufacturing project site during the term of the credit if the credit is awarded for three (3) years; and

a requirement that the taxpayer maintain at least two thousand (2,000) advanced manufacturing jobs at the qualified advanced manufacturing project site for at least ten (10) years, including the term of the tax credit.

(10) Any other performance conditions that the IEDC determines are appropriate.

Sec. 17. (a) If the IEDC determines that a taxpayer that has received a credit under this chapter is not complying with the requirements of the tax credit agreement or all the provisions of this chapter, the IEDC shall, after giving the taxpayer an opportunity to explain the noncompliance, notify the department of state revenue of the noncompliance and request an assessment.

(b) The department of state revenue, with the assistance of the IEDC, shall state the amount of the assessment, which may not exceed the sum of:

(1) fifty percent (50%) of any credits previously awarded under section 12 of this chapter; and

(2) one hundred percent (100%) of any credits previously awarded under section 13 of this chapter.

(c) After receiving the notice, the department of state revenue shall make an assessment against the taxpayer under IC 6-8.1.

Sec. 18. Notwithstanding the other provisions of this chapter, a taxpayer is not entitled to a credit for a certified advanced manufacturing investment made after December 31, 2009. However, this section may not be construed to prevent a taxpayer from carrying an unused tax credit attributable to a certified advanced manufacturing investment made before January 1, 2010, forward to a taxable year beginning after December 31, 2009, in the manner provided by section 12 of this chapter.

SECTION 12. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] IC 6-3.1-4-1, as amended by this act, and IC 6-3.1-4-2.5 and IC 6-3.1-26.2, both as added by this act, apply

only to taxable years beginning after December 31, 2004.

SECTION 13. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

(Reference is to SB 414 as printed February 25, 2005.) and when so amended that said bill do pass.

Committee Vote: yeas 19, nays 0.

ESPICH, Chair

Report adopted.

INTRODUCTION OF BILLS

The following bills were read a first time by title and referred to the respective committees:

ESB 7 — Becker, Welch, Burton, L. Lawson (Public Policy and Veterans Affairs)

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

ESB 56 — Ruppel, Tincher (Public Safety and Homeland Security)

A BILL FOR AN ACT to amend the Indiana Code concerning public safety and to make an appropriation.

ESB 63 — Duncan, Gutwein, Stevenson (Roads and Transportation)

A BILL FOR AN ACT to amend the Indiana Code concerning utilities and transportation.

ESB 64 — Murphy (Government and Regulatory Reform)

A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources and to make an appropriation.

ESB 73 — Whetstone, Fry (Insurance)

A BILL FOR AN ACT to amend the Indiana Code concerning transportation.

ESB 96 — Messer, Crawford, Foley, Kuzman (Courts and Criminal Code)

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

ESB 124 — Hoffman, Saunders (Courts and Criminal Code)

A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.

ESB 126 — Wolkins (Environmental Affairs)

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

ESB 127 — Stutzman, Wolkins (Public Policy and Veterans Affairs)

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

ESB 132 — Borders (Judiciary)

A BILL FOR AN ACT to amend the Indiana Code concerning civil procedure.

ESB 141 — Cherry (Public Safety and Homeland Security)

A BILL FOR AN ACT to amend the Indiana Code concerning public safety.

ESB 142 — Klinker (Commerce, Economic Development and Small Business)

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

ESB 165 — Cherry, T. Adams (Public Safety and Homeland Security)

A BILL FOR AN ACT to amend the Indiana Code concerning public safety.

- ESB 201** — Ruppel, Tincher (Public Safety and Homeland Security)
A BILL FOR AN ACT to amend the Indiana Code concerning public safety.
- ESB 212** — Kuzman, Foley (Judiciary)
A BILL FOR AN ACT to amend the Indiana Code concerning courts and court officers.
- ESB 217** — Wolkins (Public Policy and Veterans Affairs)
A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.
- ESB 227** — Buell (Roads and Transportation)
A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.
- ESB 229** — Porter, Behning (Education)
A BILL FOR AN ACT to amend the Indiana Code concerning education.
- ESB 244** — Borrer, Kuzman (Local Government)
A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.
- ESB 253** — Ripley (Insurance)
A BILL FOR AN ACT to amend the Indiana Code concerning insurance.
- ESB 268** — T. Brown (Public Health)
A BILL FOR AN ACT to amend the Indiana Code concerning health.
- ESB 269** — Behning, Ripley (Insurance)
A BILL FOR AN ACT to amend the Indiana Code concerning insurance.
- ESB 279** — Wolkins (Environmental Affairs)
A BILL FOR AN ACT to amend the Indiana Code concerning environmental law.
- ESB 295** — Foley (Judiciary)
A BILL FOR AN ACT to amend the Indiana Code concerning property.
- ESB 310** — Koch, Pelath (Local Government)
A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.
- ESB 315** — Stilwell (Natural Resources)
A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.
- ESB 324** — Buck, VanHaaften (Natural Resources)
A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.
- ESB 330** — T. Brown, Murphy, Oxley, Goodin (Public Health)
A BILL FOR AN ACT to amend the Indiana Code concerning commercial law.
- ESB 358** — Frizzell (Public Safety and Homeland Security)
A BILL FOR AN ACT concerning state and local administration.
- ESB 360** — Becker, C. Brown (Public Health)
A BILL FOR AN ACT to amend the Indiana Code concerning insurance.
- ESB 362** — Neese, Kromkowski (Insurance)
A BILL FOR AN ACT to amend the Indiana Code concerning insurance.
- ESB 379** — Cherry, Crawford (Public Policy and Veterans Affairs)
A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.
- ESB 381** — Cherry, Borrer, Pierce, Austin (Technology, Research and Development)
A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.
- ESB 397** — Foley (Education)
A BILL FOR AN ACT to amend the Indiana Code concerning education.
- ESB 421** — Thomas, Richardson (Elections and Apportionment)
A BILL FOR AN ACT to amend the Indiana Code concerning elections.
- ESB 422** — Frizzell, Kuzman (Judiciary)
A BILL FOR AN ACT to amend the Indiana Code concerning family law and juvenile law.
- ESB 432** — Becker (Public Health)
A BILL FOR AN ACT concerning health.
- ESB 447** — Ulmer, VanHaaften (Natural Resources)
A BILL FOR AN ACT to amend the Indiana Code concerning natural and cultural resources.
- ESB 460** — Ayres, Welch (Ways and Means)
A BILL FOR AN ACT to amend the Indiana Code concerning pensions.
- ESB 465** — Gutwein, Hoffman (Agriculture and Rural Development)
A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and animals.
- ESB 472** — Welch, Budak, Austin (Courts and Criminal Code)
A BILL FOR AN ACT to amend the Indiana Code concerning health.
- ESB 481** — Budak, Becker, Crawford (Public Health)
A BILL FOR AN ACT to amend the Indiana Code concerning health.
- ESB 504** — Thompson, Bottorff (Education)
A BILL FOR AN ACT to amend the Indiana Code concerning local government.
- ESB 512** — Whetstone, Richardson, Noe, Walorski (Local Government)
A BILL FOR AN ACT to amend the Indiana Code concerning local government.
- ESB 525** — Thomas, Ulmer (Courts and Criminal Code)
A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.
- ESB 527** — Lehe, Friend, Goodin (Agriculture and Rural Development)
A BILL FOR AN ACT to amend the Indiana Code concerning agriculture and animals.
- ESB 538** — Becker (Public Health)
A BILL FOR AN ACT to amend the Indiana Code concerning health.
- ESB 539** — Becker, Ayres, C. Brown (Public Health)
A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration and to make an appropriation.
- ESB 557** — Buell, Ulmer (Courts and Criminal Code)
A BILL FOR AN ACT to amend the Indiana Code concerning criminal law and procedure.
- ESB 566** — Murphy, Becker, C. Brown, Austin (Technology, Research and Development)
A BILL FOR AN ACT concerning health and to make an appropriation.

- ESB 568** — J. Lutz, Becker (Public Health)
A BILL FOR AN ACT to amend the Indiana Code concerning health.
- ESB 570** — Wolkins, Kuzman (Roads and Transportation)
A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.
- ESB 571** — Koch, Pierce (Commerce, Economic Development and Small Business)
A BILL FOR AN ACT to amend the Indiana Code concerning economic development.
- ESB 591** — T. Brown, Mays (Public Health)
A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.
- ESB 602** — C. Brown, Ayres, V. Smith (Ways and Means)
A BILL FOR AN ACT to amend the Indiana Code concerning local government.
- ESB 638** — T. Harris (Local Government)
A BILL FOR AN ACT to amend the Indiana Code concerning local government.

INTRODUCTION OF JOINT RESOLUTIONS

The following joint resolutions were read a first time by title and referred to the respective committees:

- ESJR 1** — Richardson (Judiciary)

A JOINT RESOLUTION proposing an amendment to Article 7 of the Constitution of the State of Indiana concerning the judiciary.

Be it resolved by the General Assembly of the State of Indiana:

SECTION 1. The following amendment to the Constitution of the State of Indiana is proposed and agreed to by this, the One Hundred Fourteenth General Assembly of the State of Indiana, and is referred to the next General Assembly for reconsideration and agreement.

SECTION 2. ARTICLE 7, SECTION 3 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS: Section 3. ~~Chief Justice.~~ **(a) The Commission on Judicial Nominations and Qualifications shall select the Chief Justice of the State shall be selected by the judicial nominating commission from the members of the Supreme Court, and he shall retain**

(b) The Chief Justice may hold that office for a period of five (5) years, subject to reappointment in the same manner. except that a member of the Court The Chief Justice may resign the office of Chief Justice without resigning from the Court.

(c) During a vacancy in the office of Chief Justice caused by absence, illness, incapacity, or resignation all powers and duties of that the office shall devolve upon the member of the Supreme Court who is senior in length of service and if equal in length of service the determination shall be by lot until such time as the cause of the vacancy is terminated or the vacancy is filled.

(d) The Chief Justice of the State shall appoint such persons as the General Assembly by law may provide for the administration of his the Chief Justice's office.

(e) The Chief Justice shall have prepared and submit to the General Assembly regular reports on the condition of the courts and such other reports as may be requested by the General Assembly.

SECTION 3. ARTICLE 7, SECTION 9 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS: Section 9. ~~Judicial Nominating Commission.~~ **(a) There shall be one judicial nominating commission for the Supreme Court and Court of Appeals. This commission shall, in addition, be the a Commission on Judicial Nominations and Qualifications. for the Supreme Court and Court of Appeals.**

(b) The judicial nominating Commission shall consist consists of the following seven (7) members: a majority of whom shall form a quorum; one of whom shall be

(1) The Chief Justice of the State or a Justice of the Supreme Court whom he may designate; designated by the Chief

Justice, who shall act as chairman. Those the Commission's chair.

(2) One individual admitted to the practice of law shall elect three of their number to serve as members of said commission. All elections shall be in such manner as the General Assembly may provide: in Indiana elected by those admitted to the practice of law in Indiana.

(3) Three (3) citizens of Indiana appointed by the Governor. shall appoint to the commission three citizens. At least one of the citizens appointed by the Governor shall not be admitted to the practice of law. The terms of office and compensation for members of a judicial nominating commission shall be fixed by the General Assembly. No

(4) One citizen of Indiana appointed by the President Pro Tempore of the Senate.

(5) One citizen of Indiana appointed by the Speaker of the House of Representatives.

(c) A member of a judicial nominating the Commission other than the Chief Justice or his the Chief Justice's designee shall may not hold any other salaried public office. No A Commission member shall may not: hold an office in a political party or organization:

(1) hold an office in a political party or organization; or

(2) be an individual who is a lobbyist (as defined in IC 2-7-1-10).

No A Commission member of the judicial nominating commission shall be is not eligible for appointment to a judicial office so long as he while the individual is a member of the Commission and for a period of three (3) years thereafter: after the individual leaves the Commission.

(d) The General Assembly shall provide by law for the following:

(1) The term of office of Commission members.

(2) The compensation of Commission members.

(3) The manner of election of the elected Commission member.

(e) Four (4) Commission members constitute a quorum of the Commission. The affirmative vote of at least four (4) members is necessary for the Commission to take action.

SECTION 4. ARTICLE 7, SECTION 10 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS: Section 10. ~~Selection of Justices of the Supreme Court and Judges of the Court of Appeals.~~ **(a) The Governor shall fill a vacancy in a judicial office in the Supreme Court or Court of Appeals, shall be filled by the Governor, without regard to political affiliation, by appointing an individual from a list of three (3) nominees presented to him recommended by the judicial nominating Commission If the Governor shall fail to make an appointment from the list within sixty days from the day it is presented to him; the appointment shall be made by the Chief Justice or the acting Chief Justice from the same list. on Judicial Nominations and Qualifications.**

(b) To be eligible for nomination as a Justice of the Supreme Court or Judge of the Court of Appeals, a person must be:

(1) domiciled within the geographic district;

(2) a citizen of the United States; and

(3) admitted to the practice of law in the courts of the State Indiana for a period of not less than ten (10) years or must have served as a judge of a circuit, superior, or criminal court of the State of Indiana for a period of not less than five (5) years.

(c) Before an individual appointed as a Justice or Judge under this section may take office, the individual's appointment must be confirmed by the Senate by the affirmative vote of a majority of the members elected to the Senate under rules adopted by the Senate. The Governor may call the General Assembly into a special session to confirm an appointment to a judicial office under this section.

(d) If the Governor fails to make an appointment not later than sixty (60) days after the Commission makes a recommendation to fill the vacancy, the Senate may confirm any of the nominees recommended by the Commission to the Governor.

(e) If the Senate fails to confirm a nominee not later than the sine die adjournment of the session of the General Assembly that occurs immediately after the names of nominees are submitted to

the Governor:

- (1) a nominee may not take the judicial office; and
- (2) the office shall be filled as a vacancy by another individual as provided in this section.

SECTION 5. ARTICLE 7 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED BY ADDING A NEW SECTION TO READ AS FOLLOWS: Section 10.5. (a) A Justice of the Supreme Court or Judge of the Court of Appeals may serve until July 1 of the tenth year after the Justice's or Judge's:

- (1) appointment is confirmed under section 10 of this article; or
- (2) retention is confirmed under this section.

(b) If a Justice or Judge wishes to serve an additional term, the Justice or Judge must apply to the Senate for retention as provided by law.

(c) A Justice or Judge shall be retained in office unless at least sixty percent of the members elected to the Senate vote not to retain the Judge or Justice in office under rules adopted by the Senate.

(d) If a Judge or Justice fails to apply to the Senate for retention as provided by law, or if at least sixty percent of the members of the Senate vote against the retention of the Justice or Judge in office:

- (1) the term of the Judge or Justice expires as provided in subsection (a);
- (2) the Judge or Justice may not continue in office; and
- (3) the office shall be filled as a vacancy by another individual as provided in section 10 of this article.

SECTION 6. ARTICLE 7, SECTION 11 OF THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED TO READ AS FOLLOWS: Section 11. ~~Term of Justices of Supreme Court and Judges of the Court of Appeals: A Justice of the Supreme Court or Judge of the Court of Appeals shall serve until the next general election following the expiration of two years from the date of appointment, and subject to approval or rejection by the electorate, shall continue to serve for terms of ten years; so long as he retains his office. In the case of a justice of the Supreme Court, the electorate of the entire state shall vote on the question of approval or rejection. In the case of judges of the Court of Appeals the electorate of the geographic district in which he serves shall vote on the question of approval or rejection. Every such~~ (a) A Justice or Judge may be removed from office under this section, Article 6, Section 7, or Article 6, Section 8.

(b) A Justice ~~and~~ or Judge shall retire at the age specified by statute in effect at the commencement of ~~his the Justice's or Judge's~~ current term.

~~Every such~~ (c) A Justice or Judge is disqualified from acting as a judicial officer, without loss of salary, while there is pending:

- (1) an indictment or information charging ~~him the Justice or Judge~~ in any court in the United States with a crime punishable as a felony under the laws of Indiana or the United States; or
- (2) a recommendation to the Supreme Court by the Commission on Judicial Nominations and Qualifications for ~~his the Justice's or Judge's~~ removal or retirement.

(d) On recommendation of the Commission on Judicial Nominations and Qualifications or on its own motion, the Supreme Court may suspend ~~such a~~ Justice or Judge from office without salary when in any court in the United States ~~he the Justice or Judge~~:

- (1) pleads guilty or to;
- (2) pleads no contest to; or
- (3) is found guilty of;

a crime punishable as a felony under the laws of Indiana or the United States, or of any other crime that involves moral turpitude under that law. If ~~his the Justice's or Judge's~~ conviction is reversed, the suspension terminates, and ~~he the Justice or Judge~~ shall be paid ~~his the Justice's or Judge's~~ salary for the period of suspension. If ~~he the Justice or Judge~~ is suspended and ~~his the~~ conviction becomes final, the Supreme Court shall remove ~~him the Justice or Judge~~ from office.

(e) On recommendation of the Commission on Judicial Nominations and Qualifications the Supreme Court may:

- (1) retire ~~such a~~ Justice or Judge for disability that seriously interferes with the performance of ~~his judicial~~ duties and is or

is likely to become permanent; and

(2) censure or remove ~~such the~~ Justice or Judge for action occurring not more than six (6) years ~~prior to before~~ the commencement of ~~his the Justice's or Judge's~~ current term, when such action constitutes:

- (A) willful misconduct in office;
- (B) willful and persistent failure to perform ~~his judicial~~ duties;
- (C) habitual intemperance; or
- (D) conduct prejudicial to the administration of justice that brings the judicial office into disrepute.

(f) A Justice or Judge ~~so~~ retired by the Supreme Court shall be considered to have retired voluntarily. A Justice or Judge ~~so~~ removed by the Supreme Court is ineligible for judicial office and pending further order of the Court ~~he~~ is suspended from practicing law in ~~this State: Indiana.~~

(g) Upon receipt by the Supreme Court of any such recommendation, the Court shall:

- (1) hold a hearing, at which ~~such the~~ Justice or Judge is entitled to be present; and
- (2) make ~~such any~~ determinations as ~~shall be required. No the Court considers necessary.~~

A Justice ~~shall may not~~ participate in the determination of ~~such a~~ hearing when it concerns ~~himself the Justice's own case.~~

(h) The Supreme Court shall make rules implementing this section and provide for convening of hearings. Hearings and proceedings shall be public upon request of the Justice or Judge whom it concerns.

~~No such~~ (i) A Justice or Judge ~~shall may not~~ during ~~his the Justice's or Judge's~~ term of office do any of the following:

- (1) Engage in the practice of law.
- (2) Run for elective office other than a judicial office.
- (3) Directly or indirectly make any contribution to, or hold any office in, a political party or organization. ~~or~~
- (4) Take part in any political campaign.

SECTION 7. THE CONSTITUTION OF THE STATE OF INDIANA IS AMENDED BY ADDING THE FOLLOWING SCHEDULE:

SCHEDULE

An individual who serves as a Justice of the Indiana Supreme Court or a Judge of the Indiana Court of Appeals on the date the amendments to Article 7 of the Constitution of the State of Indiana, as amended by this joint resolution, are approved by the voters of Indiana may continue in office until the date the Justice's or Judge's term would have expired under Article 7 of the Constitution of the State of Indiana before its amendment by this joint resolution.

Such a Justice or Judge may seek a new term of office before the Justice's or Judge's term expires, subject to confirmation by the Senate as if the Justice or Judge had been nominated to fill a vacancy as provided in Article 7, Section 10 of the Constitution of the State of Indiana, as amended by this joint resolution. The successors of such Justices of the Supreme Court and Judges of the Court of Appeals shall be chosen as provided in Article 7 of the Constitution of the State of Indiana, as amended by this joint resolution.

RESOLUTIONS ON FIRST READING

House Concurrent Resolution 20

Representative Duncan introduced House Concurrent Resolution 20:

A CONCURRENT RESOLUTION to honor the Women of Political Organization for Women's Education and Representation (P.O.W.E.R.) scholarship recipients.

Whereas, The Women of Political Organization for Women's Education and Representation, or the Women of P.O.W.E.R., award scholarships to women that are non-traditional students who are working hard to achieve their goals;

Whereas, The women honored in this Resolution are the first Women of P.O.W.E.R. scholarship recipients;

Whereas, Linda Martinez is a 36-year-old mother of two sons and is returning to school with a focus on accounting hoping to

demonstrate to her sons the reward of hard work;

Whereas, Barbara Stansil is a 53-year-old student who is determined to earn a degree in Early Childhood Development Education with the goal of opening her own childcare center and naming it "The Children's Art";

Whereas, Patricia Lopez is a single mother of three young children who is working to achieve her elementary education degree with the goal of becoming a teacher and then possibly an elementary school principal;

Whereas, Jerilyn Sherer has the goal of earning an RN degree from Ivy Tech in Bloomington where she was recently accepted into the LPN program having the desire to become an Oncology Nurse;

Whereas, Tracy Perrine, is a full-time student and a mother of a four-year-old, will receive her Surgical Technician Degree in August of 2005;

Whereas, Teresa Mae Parke is striving to achieve her Bachelor's degree from Anderson University hoping to teach college one day and give seminars on educating children on life-long learning;

Whereas, Vicki Jean Lawrence, who hopes to work in the medical field and fulfill her goal of helping people, is attending Ivy Tech State College and plans to graduate in August of 2005;

Whereas, Peggy Tate is attending Ivy Tech State College in Bloomington with the goal of becoming a nurse and eventually teach the art of nursing to others;

Whereas, Deborah Buss is striving to earn a Bachelor of Science degree to demonstrate to her children the value of an education after having been in the work force for 27 years in various administrative and secretarial positions;

Whereas, Sara Osborne is seeking a degree in Business Administration with the ultimate goal of completing the requirements for a CPA;

Whereas, Gabriel Paula Detro will be receiving a degree from I.U.P.U.I. allowing her to fulfill her goal of becoming a high school math and Spanish teacher;

Whereas, Amanda Serie's ultimate goal is to earn a degree in Social Work from Ball State and eventually work with troubled youth, primarily those involved with Foster Care;

Whereas, April Gaines will graduate with a Bachelor of Science degree in May, 2005, take the CPA exam in December, 2005, and seek employment with the IRS or a CPA firm;

Whereas, Maureen Garrison is working to earn an Associates Degree while attending Ivy Tech in Michigan City hoping to fulfill her goal of eventually earning a Bachelor's degree and working in marketing or business;

Whereas, Patrice Kimani is working full-time while taking classes to earn a Bachelor's degree in Human Services hoping to fulfill her goal of becoming a caseworker for the Child Protective Services Agency;

Whereas, Kim Merryman, mother of two girls, is striving to earn a Surgical Nursing degree hoping to show her daughters what perseverance can accomplish;

Whereas, Mary Isenhour is striving to fulfill her career goals by attending Ivy Tech, Fort Wayne;

Whereas, Lori Miller is working toward her career goals by attending Indiana Wesleyan University; and

Whereas, All of these women scholars have demonstrated that hard work and dedication will lead to both professional and personal success: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

SECTION 1. That the Indiana House of Representatives, the Senate concurring, does honor and congratulate the Women of Political Organization for Women's Education and Representation (P.O.W.E.R.) scholarship recipients and wishes them continued success in their academic endeavors.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit copies of this resolution to Linda Martinez, Barbara Stansil, Patricia Lopez, Jerilyn Sherer, Tracy Perrine, Teresa Mae Parke, Vicki Jean Lawrence, Peggy Tate, Deborah Buss, Sara Osborne, Gabriel Paula Detro, Amanda Serie, April Gaines, Maureen Garrison, Patrice Kimani, Kim Merryman, Mary Isenhour, and Lori Miller.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsors: Senator Sipes and Landske.

House Concurrent Resolution 21

Representative Richardson introduced House Concurrent Resolution 21:

A CONCURRENT RESOLUTION recognizing the Purdue University Cooperative Extension Service on its 100th anniversary.

Whereas, The Purdue University Cooperative Extension Service is an integral part of the Purdue University College of Agriculture's educational outreach to the citizens of Indiana;

Whereas, The extension programs reach over one million citizens of Indiana on an annual basis;

Whereas, The outreach education of Purdue University was originally authorized by state legislation with the Farmers' Institute Act of 1889;

Whereas, This legislation later resulted in the permanent establishment of the Department of Extension with the Smith Act of 1905; and

Whereas, Purdue University has delivered extension educational programs to the citizens of Indiana since the enactment of the Smith Act of 1905: Therefore,

Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

SECTION 1. That the members of the Indiana General Assembly congratulate the Purdue University Cooperative Extension Service on its 100 years of service to the community.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Thomas N. Jordan.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution. Senate sponsor: Senator Jackman.

House Resolution 21

Representative Saunders introduced House Resolution 21:

A HOUSE RESOLUTION honoring Donald Schwarzkopf's accomplishment as head coach of the Tri High School boys' basketball team.

Whereas, Donald Schwarzkopf received his Bachelor's Degree from Taylor University and his Master's Degree from Ball State University;

Whereas, Donald Schwarzkopf taught one year at Petroleum in Wells County, two years at Dunkirk in Jay County, and two years at Eastbrook in Grant County;

Whereas, Donald Schwarzkopf is retiring this year after serving 38 years as coach and teacher for the South Henry School Corporation;

Whereas, Under the leadership of Coach Donald Schwarzkopf, the Tri High School Titans won their first Sectional championship since 1977;

Whereas, Donald Schwarzkopf was also the coach of Tri High School's other two sectional championships in 1976 and 1977;

Whereas, State Representative Tom Saunders was in the first graduating class from Tri High in 1970 and served as the student manager to the sports teams under Coach Schwarzkopf; and

Whereas, Donald Schwarzkopf serves as an outstanding role model for his players by showing them the value of teamwork and how dedication will help them achieve their goals: Therefore,

*Be it resolved by the House of Representatives
of the General Assembly of the State of Indiana:*

SECTION 1. That the Indiana House of Representatives does honor and recognize Donald Schwarzkopf for his accomplishment as head coach of the Tri High School boys' basketball team and wish him all the best in his retirement.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to Representative Tom Saunders and to Head Coach Donald Schwarzkopf.

The resolution was read a first time and adopted by voice vote.

House Resolution 22

Representative Kuzman introduced House Resolution 22:

A RESOLUTION congratulating John Spinks, Sr. and Janice Spinks on the birth of their grandson.

Whereas, David and Mary Peeler presented John Sr. and Janice Spinks with the best present any parents can ever receive—a grandchild;

Whereas, On November 29, 2004, at 10:45 p.m., Jackson Cola Peeler was born;

Whereas, John Sr. and Janice Spinks will now embark on one of the greatest voyages in a lifetime—being grandparents;

Whereas, The contributions grandparents can make to their families are extraordinary;

Whereas, Some contributions, like baby-sitting or spoiling grandchildren with endless gifts, are tangible; while others, like providing a role model for them, are intangible; and

Whereas, The joy of having a grandchild is unmatched by anything ever experienced by a parent: Therefore,

*Be it resolved by the House of Representatives
of the General Assembly of the State of Indiana:*

SECTION 1. That the members of the Indiana House of Representatives wish to congratulate John Sr. and Janice Spinks on the occasion of the birth of their grandson.

SECTION 2. That the Principal Clerk of the House of Representatives shall transmit a copy of this resolution to John Sr. and Janice Spinks and David and Mary Peeler.

The resolution was read a first time and adopted by voice vote.

The House recessed until the fall of the gavel.

RECESS

The House reconvened at 3:35 p.m. with the Speaker Pro Tempore, Representative Turner, in the Chair.

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed House Concurrent Resolution 20 and the same is herewith returned to the House.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolution 24 and the same is herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

MESSAGE FROM THE SENATE

Mr. Speaker: I am directed by the Senate to inform the House that the Senate has passed Senate Concurrent Resolution 46 and the same is herewith transmitted to the House for further action.

MARY C. MENDEL
Principal Secretary of the Senate

ENGROSSED SENATE BILLS ON SECOND READING

Engrossed Senate Bill 18

Representative Foley called down Engrossed Senate Bill 18 for second reading. The bill was read a second time by title.

HOUSE MOTION (Amendment 18–7)

Mr. Speaker: I move that Engrossed Senate Bill 18 be amended to read as follows:

Page 25, line 1, after "general" insert "**or a prosecuting attorney, other than the prosecuting attorney to whom the case was certified under this section,**".

Page 25, line 5, delete "the inspector general as".

Page 25, line 10, delete "an inspector general".

Page 25, line 11, delete "appointed to serve as".

Page 25, line 11, after "attorney" insert "**appointed under this section**".

Page 25, line 14, delete "inspector general's" and insert "**special prosecuting attorney's**".

Page 25, line 20, delete "inspector general's" and insert "**special prosecuting attorney's**".

Page 25, line 20, delete "as a" and insert ".".

Page 25, delete line 21.

Page 25, line 22, delete "inspector general's" and insert "**special prosecuting attorney's**".

Page 25, line 24, delete "inspector".

Page 25, line 25, delete "general's" and insert "**special prosecuting attorney's**".

Page 25, line 25, delete "inspector general".

Page 25, line 26, delete "to serve as a".

Page 25, line 27, after "general" insert "**or prosecuting attorney**".

Page 25, line 28, delete "deputy" and insert "**deputies**".

Page 25, line 29, delete "inspectors general".

Page 25, line 30, delete "deputy inspector".

Page 25, line 31, delete "general appointed to serve as a" and insert "**special**".

Page 25, line 33, delete "inspector general who is appointed to serve as a".

Page 25, line 34, after "attorney" insert "**by the court of appeals**".

Page 25, line 36, after "general" insert "**or prosecuting attorney**".

Page 25, line 37, after "attorney" insert "**under this section**".

Page 25, line 38, after "general" insert "**or prosecuting attorney**".

Page 25, line 39, after "appointed" insert "**under this section**".

Page 26, between lines 1 and 2, begin a new paragraph and insert: "**(m) If the court of appeals appoints a prosecuting attorney to serve as a special prosecuting attorney under this section, the inspector general shall reimburse the prosecuting attorney for the reasonable expenses of investigating and prosecuting the case.**".

(Reference is to ESB 18 as printed March 11, 2005.)

BOSMA

Motion prevailed.

HOUSE MOTION (Amendment 18–6)

Mr. Speaker: I move that Engrossed Senate Bill 18 be amended to read as follows:

Page 7, delete lines 37 and 38 and insert "**the time the hearing convenes**".

Page 7, line 39, delete "been closed".

(Reference is to Engrossed Senate Bill 18 as printed March 11, 2005.)

BOSMA

Motion prevailed.

HOUSE MOTION (Amendment 18–2)

Mr. Speaker: I move that Engrossed Senate Bill 18 be amended to read as follows:

Page 18, between lines 36 and 37, begin a new line and insert:

"**(2) "Appointment committee" means the inspector general appointment committee established under section 9 of this**

chapter."

Page 18, line 37, delete "(2)" and insert "(3)".

Page 18, line 39, delete "(3)" and insert "(4)".

Page 19, line 1, delete "(4)" and insert "(5)".

Page 19, line 3, delete "(5)" and insert "(6)".

Page 19, line 7, delete "(6)" and insert "(7)".

Page 19, line 8, delete "(7)" and insert "(8)".

Page 19, line 10, delete "(8)" and insert "(9)".

Page 19, line 20, delete "governor" and insert "appointment committee".

Page 26, between lines 36 and 37, begin a new paragraph and insert:

"Sec. 9. (a) There is established the inspector general appointment committee.

(b) The appointment committee consists of the following members:

(1) The dean of the Indiana University School of Law - Bloomington.

(2) The dean of the Indiana University School of Law - Indianapolis.

(3) The dean of the University of Notre Dame Law School.

(4) The dean of the Valparaiso University School of Law.

(5) The president of the Indiana state bar association.

(6) The executive director of the Indiana prosecuting attorney's council.

(7) The Chief Justice of Indiana, who shall serve as the chairperson of the appointment committee.

(c) The appointment committee shall appoint a person to serve as inspector general when there is a vacancy in the office of the inspector general.

(d) The Indiana judicial center shall staff the appointment committee.

(e) The expenses of the committee shall be paid from money appropriated to the supreme court.

(f) Each member of the appointment committee who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is also entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(g) Each member of the appointment committee who is a state employee is entitled to reimbursement for traveling expenses as provided under IC 4-13-1-4 and other expenses actually incurred in connection with the member's duties as provided in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(h) The appointment committee may adopt rules governing the conduct of its business.

(i) The affirmative votes of a majority of the members appointed to the appointment committee are required for the appointment committee to take action on any measure, including the adoption of rules and the appointment of the inspector general."

(Reference is to ESB 18 as printed March 11, 2005.)

DAY

Upon request of Representatives Pierce and Day, the Speaker ordered the roll of the House to be called. Roll Call 241: yeas 46, nays 49. Motion failed.

HOUSE MOTION (Amendment 18-4)

Mr. Speaker: I move that Engrossed Senate Bill 18 be amended to read as follows:

Page 26, between lines 36 and 37, begin a new paragraph and insert:

"Sec. 9. This chapter expires July 1, 2008."

Page 63, between lines 13 and 14, begin a new paragraph and insert:

"SECTION 46. [EFFECTIVE UPON PASSAGE] (a) Upon the expiration of IC 4-2-7, the legislative services agency shall prepare legislation, for introduction in the 2009 session of the

Indiana general assembly, to:

(1) remove obsolete references to the inspector general; and

(2) make any other necessary amendments to the Indiana Code;

due to the expiration of IC 4-2-7.

(b) The Indiana code revision commission shall review the bill described in subsection (a).

(c) This SECTION expires June 30, 2009."

(Reference is to ESB 18 as printed March 11, 2005.)

DAY

Upon request of Representatives Day and Pierce, the Speaker ordered the roll of the House to be called. Roll Call 242: yeas 36, nays 60. Motion failed. The bill was ordered engrossed.

The Speaker Pro Tempore yielded the gavel to the Speaker.

RESOLUTIONS ON FIRST READING

Senate Concurrent Resolution 24

The Speaker handed down Senate Concurrent Resolution 24, sponsored by Representative Lehe:

A CONCURRENT RESOLUTION honoring the Lake Central girls' softball team on winning the Class 4A Title.

Whereas, On June 12, 2004, the #2 ranked Lake Central High School girls' softball team made their eighth appearance in the IHSAA State Finals;

Whereas, The Indians captured the State Title when Alyssa Duncan hit a three-run home run in the bottom of the 12th inning to lift her team to a victory;

Whereas, The championship game marked a milestone for Bethany Toyias, who extended her undefeated pitching record to 19-0; and

Whereas, After thirteen single class and six three-class tournaments, 2004 marks the first year the IHSAA has held a Class 4A Girls Softball Final: Therefore,

*Be it resolved by the Senate
of the General Assembly of the State of Indiana,
the House of Representatives concurring:*

SECTION 1. The Indiana General Assembly honors the achievements of the Lake Central Indians girls' softball team and coach Keith Hauber in continuing their tradition of excellence and capturing the Indiana High School Athletic Association's Class 4A Title.

SECTION 2. The Secretary of the Senate is hereby directed to transmit a copy of this resolution to Dr. Janet L. Emerick, Superintendent of Lake Central School Corporation, Principal Sandra Platt, Athletic Director Mark Peterson, Coach Keith Hauber, and each member of the championship team.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

Senate Concurrent Resolution 46

The Speaker handed down Senate Concurrent Resolution 46, sponsored by Representative Becker:

A CONCURRENT RESOLUTION recognizing the month of March as Women's History Month, March 8th as International Women's Day, and the Indiana Women's History Trail Project.

Whereas, Indiana's women have filled many roles in advancing the settlement and advancement of the State of Indiana throughout its history;

Whereas, Indiana's women have contributed significantly to the economic, cultural and social well being of the state since its inception;

Whereas, March is nationally recognized as Women's History Month;

Whereas, March 8th is recognized worldwide as International Women's Day;

Whereas, The Indiana Women's History Association, the Indiana Commission for Women, the Division of Historic Preservation and Archeology, the Indiana Department of Natural Resources, the Indiana Historical Bureau, and the Indiana State Library have collaborated to establish the Indiana Women's History Trail Project to promote the awareness of the role of Indiana women in the history of the State and to promote tourism to Indiana counties: Therefore,

*Be it resolved by the Senate
of the General Assembly of the State of Indiana,
the House of Representatives concurring:*

SECTION 1. That the General Assembly recognize the month of March as Women's History Month, March 8th as International Women's Day, and the Indiana Women's History Trail Project as a welcome addition in promotion of Women's History Month in Indiana.

SECTION 2. That the Secretary of the Senate shall transmit a copy of the resolution to Kimberly Thacker, Indiana Commission for Women.

The resolution was read a first time and adopted by voice vote. The Clerk was directed to inform the Senate of the passage of the resolution.

The House recessed until the fall of the gavel.

RECESS

The House reconvened at 4:25 p.m. with the Speaker in the Chair.

OTHER BUSINESS ON THE SPEAKER'S TABLE

Reassignments

The Speaker announced the reassignment of Engrossed Senate Bill 493 from the Committee on Technology, Research and Development to the Committee on Public Safety and Homeland Security.

HOUSE MOTION

Mr. Speaker: I move that Representatives Davis and Borders be added as cosponsors of Engrossed Senate Bill 12.

WALORSKI

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Ruppel and Koch be added as cosponsors of Engrossed Senate Bill 32.

ULMER

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representative Ruppel be added as cosponsor of Engrossed Senate Bill 165.

CHERRY

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives Ulmer, Koch, and Borders be added as cosponsors of Engrossed Senate Bill 444.

FRIEND

Motion prevailed.

HOUSE MOTION

Mr. Speaker: I move that Representatives T. Harris, Borders, and Ruppel be added as cosponsors of Engrossed Senate Bill 611.

BUELL

Motion prevailed.

Pursuant to House Rule 60, committee meetings were announced.

On the motion of Representative Fry, the House adjourned at 4:35 p.m., this fourteenth day of March, 2005, until Tuesday, March 15, 2005, at 1:30 p.m.

BRIAN C. BOSMA

Speaker of the House of Representatives

M. CAROLINE SPOTTS

Principal Clerk of the House of Representatives